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CONSUMER PRICE INDEX FOR THE SOUTH—SEPTEMBER 2001

The Consumer Price Index for All Urban Consumers (CPI-U) for the South¹ increased 0.4 percent in September, not seasonally adjusted, to a level of 172.2 (1982-84=100), the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Janet S. Rankin announced that for the 12-month period ending in September, the CPI-U, South increased 2.2 percent.

Over the month, higher costs for gasoline accounted for much of the increase. Energy costs increased 2.4 percent in September, also reflecting an increase in the costs for motor fuel. The increase in the energy index comes after a 2.7 percent decline in August and a 5.1 percent decline in July. Excluding food and energy, the CPI-U, South rose 0.2 percent over the month.

Table A. Percent changes in the Consumer Price Index for All Urban Consumers for the South by expenditure category (not seasonally adjusted).

Expenditure category	Percent change from preceding month				Unadjusted 12 months percent change ended September, 2001
	August 2000	July 2001	August 2001	September 2001	
All items	0.3	-0.3	-0.1	0.4	2.2
Food and beverages	0.1	0.3	0.2	0.2	2.8
Housing	0.1	0.1	-0.1	-0.4	2.6
Apparel	2.3	-3.2	-0.7	4.2	-0.8
Transportation	0.3	-2.5	-0.9	1.3	-0.3
Medical care	0.0	0.3	0.2	0.1	3.5
Recreation 1/	0.3	0.5	0.1	0.1	1.6
Education and communication 1/	-0.2	0.3	1.8	0.6	4.5
Other goods and services	1.2	2.0	-0.5	1.7	5.3

1/ Index on a December 1997=100 base.

¹ South includes Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Over the past 12 months, the CPI-U, South has increased 2.2 percent. Although housing costs were down over the month, they remain the largest part of the increase over the past year, as shelter costs rose 2.6 percent and costs for household fuels and utilities increased 5.1 percent since September 2000. Year to date, the CPI-U, South has increased 2.3 percent, compared to a 3.0 percent increase over the first nine months of last year.

Among the major index groups, the food and beverages index advanced 0.2 percent in September. The increase was primarily due to a 0.4 percent increase in costs for food away from home. Costs for food at home increased 0.1 percent, while costs for alcoholic beverages rose 0.5 percent in September. Over the past 12 months, the food and beverages index has risen 2.8 percent.

After decreasing 0.1 percent in August, the housing index declined another 0.4 percent in September. Shelter costs declined 0.4 percent, after increasing 0.2 percent in August. The shelter index measures changes in costs for rent of primary residence, owner's equivalent rent of primary residence, and lodging away from home. Cost for rent of primary residence rose 0.4 percent, while costs for owner's equivalent rent increased 0.3 percent. Costs for lodging away from home are not published as a separate index for the South. The fuels and utilities index decreased 0.7 percent, reflecting a 0.7 percent decline in costs for electricity and a 2.4 percent drop in costs for utility natural gas.

The index for apparel increased 4.2 percent over the month, the largest one-month increase since March 1990. The most recent increase reverses declines recorded in the index since April 2001. Including the latest increase, the index has decreased 0.7 percent so far this year compared to a 1.6 percent decrease for the same period a year ago.

After declining 2.5 percent in July, and another 0.9 percent in August, the transportation index increased 1.3 percent in September, despite a decline in costs for new and used motor vehicles. The increase in the transportation index resulted from a 6.9 percent increase in costs for motor fuel. Costs for gasoline, which had been declining since June, increased 7.0 percent in September. Including the most recent monthly increase, the index for gasoline remains 5.5 percent below the level recorded in September 2000.

Medical care costs rose 0.1 percent in September to a level 3.5 percent higher than a year ago. The increase was due to an increase of 0.2 percent in the index for medical care commodities. Costs for medical care services remained unchanged over the month. The September increase was the smallest monthly increase recorded for the medical care index since May 2001.

Other major index groups reported include the recreation index, which increased 0.1 percent over the month. Over the past year, the index has risen 1.6 percent. The education and communication index rose 0.6 percent in September, bringing the over the year increase to 4.5 percent. Costs for other goods and services increased 1.7 percent in September, 5.3 percent above the level recorded a year ago.

Population size groups

Over the month, consumer prices in the South increased 0.5 percent for the largest areas, those with 1.5 million or more residents (Size Class A). In mid-size areas, those with populations between 50,000 and 1.5 million (Size Class B/C), the index rose 0.4 percent. In small metropolitan areas, those with populations of less than 50,000 (Size Class D), the index declined 0.2 percent. Over the year, consumer costs in the South rose 2.9 percent in the largest areas (Size Class A), 1.9 percent in the mid-sized areas (Size Class B/C), and 0.9 percent in the smallest areas (Size Class D).

Metropolitan areas in the Southeast

Consumer prices are published bi-monthly for Atlanta and Miami-Fort Lauderdale. The all items index was not published for September. For the two months ending in August, the Atlanta index decreased 0.5 percent, while the index for Miami-Ft. Lauderdale remained unchanged. For the 12 months ending in August 2001, the all items index for Atlanta increased 2.8 percent and Miami-Fort Lauderdale increased 3.0 percent.

Data for the Tampa-St. Petersburg-Clearwater area are published semiannually. For the first half of 2001, the index rose 1.2 percent. From the first half of 2000 through the first half of 2001, the index rose 2.0 percent.

Technical Notes

In each revision, the CPI geographic sample is selected to be representative of the current demographics of the United States. The 1998 revision utilizes the 1990 Census of population. The CPI developed an updated area sample design, decided on new local area indexes and changed the frequency of publication for local area indexes in order to better reflect these new demographics.

The BLS continues to publish separate indexes for the four Census regions of the United States. However, beginning in 1998, there are only two area size classes for metropolitan areas, instead of the former three: Size A - areas with a population greater than 1.5 million; and Size B/C - areas of 50,000 to 1.5 million population. This cutoff of 1.5 million in population reflects a rise from the former cutoff of 1.2 million and is important since cities in size class A are those for which the Bureau publishes city level indexes. The B/C size class is a combination of the old Size B and Size C metropolitan areas. In addition to the two metropolitan area size indexes for each region, separate Size D indexes for areas of less than 50,000 continue to be published for both the Midwest and the South. Separate indexes for Northeast and West urban nonmetropolitan areas were discontinued in 1987.

Local area CPI indexes are by-products of the national CPI program. Because each local index is a small subset of the national index, it has a smaller sample size and is, therefore, subject to substantially more sampling and measurement error than the national index, although their long-term trends are quite similar. The Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in escalator clauses.

We encourage users interested in learning more about changes to the CPI to contact the Bureau of Labor Statistics. Information on the Consumer Price Index and other surveys are available on our web site at <http://www.bls.gov>. Current and historical BLS data are also posted on our Internet page at <http://www.bls.gov/ro4/home.htm>. Our CPI homepage (<http://www.bls.gov/cpi/home.htm>) has articles on the 1998 CPI Revision from the December 1996 *Monthly Labor Review*. CPI data are also available through our fax-on-demand system. Table 1 for the CPI-U, South may be found under Code 9110. Data in this table are updated monthly and are available on the day of release. For a catalog of items available to be faxed to you, call our fax-on-demand number at (404) 331-3403. If you have additional questions, you can contact the Atlanta information office directly by dialing (404) 331-3415, and customers in the Miami area can reach us at (305) 358-2305.

Change in the Consumer Price Index Formula

On April 16, 1998, the Bureau of Labor Statistics announced its decision to use a new formula for calculating the basic components of the Consumer Price Index for all Urban Consumers (CPI-U) and the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). This change became effective with data for January 1999.

The new formula, the geometric mean estimator, is used in index categories that comprise approximately 61 percent of total consumer spending represented by the CPI-U. The remaining index categories, which are shown in the table below, will continue to be calculated as they have been. Based upon BLS research, it is expected that new formula will reduce the annual rate of increase in the CPI by approximately 0.2 percentage point per year.

The geometric mean estimator was introduced in both the CPI-U and the CPI-W effective with data for January 1999, in accord with the past practice of introducing methodological changes at the beginning of a calendar year. BLS will continue to publish “overlap” CPI-U and CPI-W series using the current calculation method for the first six months of 1999. These indexes will not be published regularly for months subsequent to June 1999, but will be available upon request. Additional information on this change was published in the April 1998 CPI Detailed Report and is available on the Internet (<http://www.bls.gov/cpi/home.htm>).

Table 1. Consumer Price Index for all urban consumers and urban wage earners and clerical workers,
South Region, (1982-84=100), Not seasonally adjusted

Group	All urban consumers			Urban wage earners and clerical workers		
	Index Sept 2001	Percent change to Sept 2001 from		Index Sept 2001	Percent change to Sept 2001 from	
		Sept 2000	: Aug 2001		Sept 2000	: Aug 2001
All items	172.2	2.2	0.4	170.3	2.1	0.5
All items (Dec 1977=100)	279.3	-	-	275.9	-	-
Food and beverages	172.0	2.8	0.2	171.0	2.9	0.2
Food	171.9	2.7	0.2	171.0	2.8	0.2
Food at home	169.7	2.6	0.1	168.6	2.7	0.1
Food away from home	177.4	3.1	0.4	176.8	3.0	0.3
Alcoholic beverages	172.8	3.4	0.5	170.3	3.8	0.5
Housing	163.9	2.6	-0.4	162.7	2.8	-0.2
Shelter	179.4	2.6	-0.4	178.1	2.8	-0.2
Rent of primary residence	175.3	3.8	0.4	175.0	3.7	0.4
Owners' equivalent rent (1)	181.4	2.9	0.3	169.3	2.9	0.3
Fuel and utilities	155.7	5.1	-0.7	156.3	5.7	-0.6
Fuels	136.5	5.8	-0.9	136.0	6.4	-0.8
Gas (piped) and electricity	138.9	6.2	-0.9	138.7	6.7	-0.8
Electricity	137.5	7.8	-0.7	136.8	8.1	-0.7
Utility natural gas service	147.8	-1.1	-2.4	149.3	-0.7	-2.0
Household furnishings and operation	128.4	-0.5	0.0	124.9	-1.2	-0.1
Apparel	138.9	-0.8	4.2	137.5	-0.9	3.9
Transportation	151.3	-0.3	1.3	151.6	-0.4	1.5
Private transportation	149.3	-0.3	1.4	150.1	-0.5	1.5
New & used motor vehicles (2)	99.6	-0.7	-0.3	100.5	-0.7	-0.3
New vehicles	143.2	-0.9	-0.1	142.9	-0.9	-0.1
New cars and trucks (2) (3)	97.5	-0.7	-0.1	-	-	-
New cars (3)	141.3	-1.4	-0.1	-	-	-
Used cars and trucks	156.2	-0.4	-0.6	157.5	-0.4	-0.6
Motor fuel	123.7	-5.5	6.9	123.7	-5.5	7.1
Gasoline (all types)	123.0	-5.5	7.0	123.1	-5.5	7.1
Regular unleaded (3)	120.5	-5.8	7.4	120.6	-5.7	7.7
Midgrade unleaded (3) (4)	129.7	-5.5	6.7	129.8	-5.5	6.8
Premium unleaded (3)	125.2	-4.9	6.1	125.2	-4.9	6.4
Medical care	267.1	3.5	0.1	267.0	3.4	0.0
Medical care commodities	241.9	4.9	0.2	239.1	4.7	0.1
Medical care services	273.2	3.1	0.0	273.6	3.1	0.0
Professional services	245.7	1.9	0.0	246.4	1.8	0.0
Recreation (2)	105.2	1.6	0.1	103.5	1.2	-0.2
Education and Communication (2)	106.8	4.5	0.6	106.5	4.4	0.6
Other goods and services	282.7	5.3	1.7	291.0	5.6	2.0
Commodities	151.1	0.7	1.2	151.9	0.7	1.3
Services	194.0	3.4	-0.2	193.0	3.6	-0.1
All items less medical care	166.2	2.1	0.4	165.0	2.0	0.5
All items less shelter	170.2	2.0	0.7	168.5	1.9	0.8
Energy	127.7	0.4	2.4	127.6	0.3	3.0
All items less energy	178.2	2.4	0.2	176.5	2.4	0.3
All items less food and energy	179.8	2.3	0.2	177.8	2.2	0.3
Purchasing power of the consumer dollar:						
1982-84=\$1.00	\$.581	-	-	\$.587	-	-
December 1977=\$1.00	\$.358	-	-	\$.362	-	-
SOUTH REGION						
Class A - More than 1.5 million pop	173.2	2.9	0.5	170.9	2.9	0.6
Class B/C - 50,000 to 1.5 million 5/	110.2	1.9	0.4	110.0	1.9	0.6
Class D - Nonmet less than 50,000	169.7	0.9	-0.2	170.8	0.9	0.1

1/ Index is on a December 1982=100 base.

2/ Indexes on a December 1997=100 base.

3/ Special index based on a substantially smaller sample.

Users should be aware that CPI data were revised to correct an error in the residential rent and owner's equivalent rent components. Indexes were revised for both the CPI-U and CPI-W for the period January 2000 through August 2000. For more information, call (404) 331-3415.

4/ Indexes on a December 1993=100 base.

5/ Index on a December 1996=100 base.

- Data not available.